

**State of California
DEPARTMENT OF INDUSTRIAL RELATIONS
Division of Workers' Compensation**

**NOTICE OF MODIFICATION TO TEXT OF
PROPOSED REGULATIONS
(HEALTH CARE ORGANIZATIONS)**

NOTICE IS HEREBY GIVEN pursuant to Labor Code Sections 4600.3, 4600.5, 4600.7, 4603.5 and 5307.3 that the Administrative Director of the Division of Workers' Compensation proposes to modify the text of the proposed amendments to Title 8, California Code of Regulations Section 9779.5 concerning the timing and amount of payments made by Health Care Organizations (HCOs) to the Administrative Director.

**PRESENTATION OF WRITTEN COMMENTS AND DEADLINE FOR SUBMISSION
OF WRITTEN COMMENTS**

Members of the public are invited to present written comments regarding this proposed modification. **Only comments concerning the proposed modification to the text of the regulation will be considered and responded to in the Final Statement of Reasons.**

Written comments should be addressed to:

Marcela Reyes, Regulations Coordinator
Department of Industrial Relations
Division of Workers' Compensation
Post Office Box 420603
San Francisco, CA 94142

The Division's contact person must receive all written comments concerning the proposed modifications to the regulations no later than 5:00 p.m. on November 12, 2003.

Written comments may be submitted by facsimile transmission (FAX), addressed to the contact person at (415) 703-4720. Written comments may also be sent electronically (via e-mail), using the following e-mail address: dwcrules@hq.dir.ca.gov.

Due to the inherent risks of non-delivery by facsimile transmission, the Administrative Director suggests, but does not require, that a copy of any comments transmitted by facsimile transmission also be submitted by regular mail.

Comments sent to other e-mail addresses or other facsimile numbers will not be accepted. Comments sent by e-mail or facsimile are subject to the deadline set forth above for written comments.

AVAILABILITY OF TEXT OF REGULATIONS AND RULEMAKING FILE

Copies of the original text and modified text with modifications clearly indicated, and the entire rulemaking file, are currently available for public review during normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding legal holidays, at the offices of the Division of Workers' Compensation. The Division is located at 455 Golden Gate Avenue, 9th Floor, San Francisco, California. Please contact the Division's regulations coordinator, Ms. Marcela Reyes, at (415) 703-4600 to arrange to inspect the rulemaking file.

The specific modifications proposed consist of a change to subdivision (a)(2) of the text of Section 9779.5. A copy of the proposed modified text is attached to this Notice.

FORMAT OF PROPOSED MODIFICATIONS

Proposed Text Noticed for 45-Day Comment Period:

Deletions from the codified regulatory text are indicated by strike-through, thus: ~~deleted language~~.

Additions to the codified regulatory text are indicated by underlining, thus: underlined language.

Proposed Text Noticed for This 15-Day Comment Period on Modified Text:

Deletions from the codified regulatory text are indicated by italic strike-through, thus: ~~*deleted language*~~.

Deletions from the amended regulatory text as proposed on September 5, 2003 are indicated by strike-through under-line, thus: ~~deleted language~~.

Additions to the regulatory text as proposed on September 5, 2003 are indicated by a double underline, thus: added language.

SUMMARY OF PROPOSED CHANGES

The proposed modification would reduce the total 2004 surcharge from one-third of the outstanding loan balance to one-fifth of the outstanding loan balance. (The original proposed amendment would have reduced the total 2004 surcharge from one-third of the outstanding loan balance to one-fourth of the outstanding loan balance)